

Background for the Asset Management clean-up project

- June 2002: Audit Finding (FS-980-02-02)
- Identified out of Balance Condition Between
PeopleSoft AM Module and General Ledger
- Condition Existed at 59 of 70 Agencies
- Out of Balance Amount Total: \$210,530,022.55

Causes

- ❑ Data conversion problems (PROP to PS).
- ❑ Poorly trained AM staff at GTA Financial Systems.
- ❑ Poor training provided to AM staff at the agencies.
- ❑ PS Bugs (delivered and self induced).
- ❑ Mass Change efforts to fix data problems created more problems.

Previous Actions Taken

- ❑ AM Task Force initiated in Fall of 2002 to address the issues.
- ❑ Identified and resolved data and system problems.
- ❑ Reduced out of balance condition from \$210M to \$500K.
- ❑ Audit Finding cleared.
- ❑ Turned over remaining issues to GTA Financial Systems Staff to resolve.

Remaining Problems

- ❑ 40 Outstanding issues impacting 3000+ assets.
(All cleared as of 9/1/04)
- ❑ Lack of adequate AM staffing at GTA Financial Systems.
- ❑ Lack of adequate AM training for the users.
- ❑ Need to prepare for PS Financials Upgrade.

Current Efforts

- Assigned and trained new AM staff.
- Started AM Clean Up Project in January 04.
- Hired consulting company for a seven month project.

Problem Areas

- AM Interface – Data Integrity
- AM Interface – Timing Issues
- Multiple Transactions in One Day
- Operating Leases
- Csvalast and Svalasst Profile IDs

AM Interface – Data Integrity

□ Problem:

- **Vouchers that are partial PO payments update assets with cost adjustments.**

- **The agency may or may not want this.**

- **If your agency uses receivers, the data may be wrong.**

AM Interface – Data Integrity

□ Example:

- **A PO is for 100 computers.**
- **The first voucher is for 25 computers.**
- **The voucher sends info to the interface.**
- **The agency unitizes in the interface, creates 25 assets.**
- **The second voucher is for 50 computers.**
- **The interface tries to update the 25 assets with dollar amounts that were pro-rated from the 2nd voucher.**

AM Interface – Data Integrity

□ Solution:

- **Mark the auto-approval switch on in the interface, OR error out the data in the interface and express add the assets.**
- **Review the amounts and quantities for accuracy (especially when using receivers).**

AM Interface – Timing Issues

□ Problem:

- The interface process can take up to two weeks under optimal conditions. A new accounting month may be open by the time the data arrives in the AM module. This may cause depreciation to be missed.

AM Interface – Timing Issues

□ Example:

- **An AP voucher has an invoice date of 2/1/04 which will translate into an in service date of the same. The in service date is critical for depreciation calculations. The AP voucher has an accounting date of 3/28/04. The entry would not arrive in the AM module until the second week in April. One month of depreciation has already been missed.**

AM Interface – Timing Issues

□ Example:

- **An AP voucher has an invoice date of 5/1/04 which will translate into an in service date of the same. The in service date is critical for depreciation calculations. The AP voucher has an accounting date of 5/1/04. The agency does not let the entry come through the interface until 9/8/04. Three months of depreciation have already been missed.**

AM Interface – Timing Issues

□ Solution:

- **Carefully review every transaction in the interface.**
- **Do not leave the data pending in the interface for weeks and then pass it to the AM module.**
- **Error out, then express add or adjust the asset.**

Note: Timing is not an issue for Smallvalue profiles since they don't depreciate or book accounting entries.

Multiple Financial Transactions in One Day

□ Problem:

- **Avoid multiple financial transactions on the same asset, in the same day. Do not add, cost adjust, transfer, retire, and reinstate in the same day. The asset needs to run through the nightly calculation routine between financial transactions. The AM tables may become corrupted for that asset.**

Multiple Financial Transactions in One Day

□ Example:

- **If an asset is cost adjusted, then transferred, all of the AM tables may not be in sync. Financial data may be generated incorrectly. The asset may depreciate at two different orgs.**

Multiple Financial Transactions in One Day

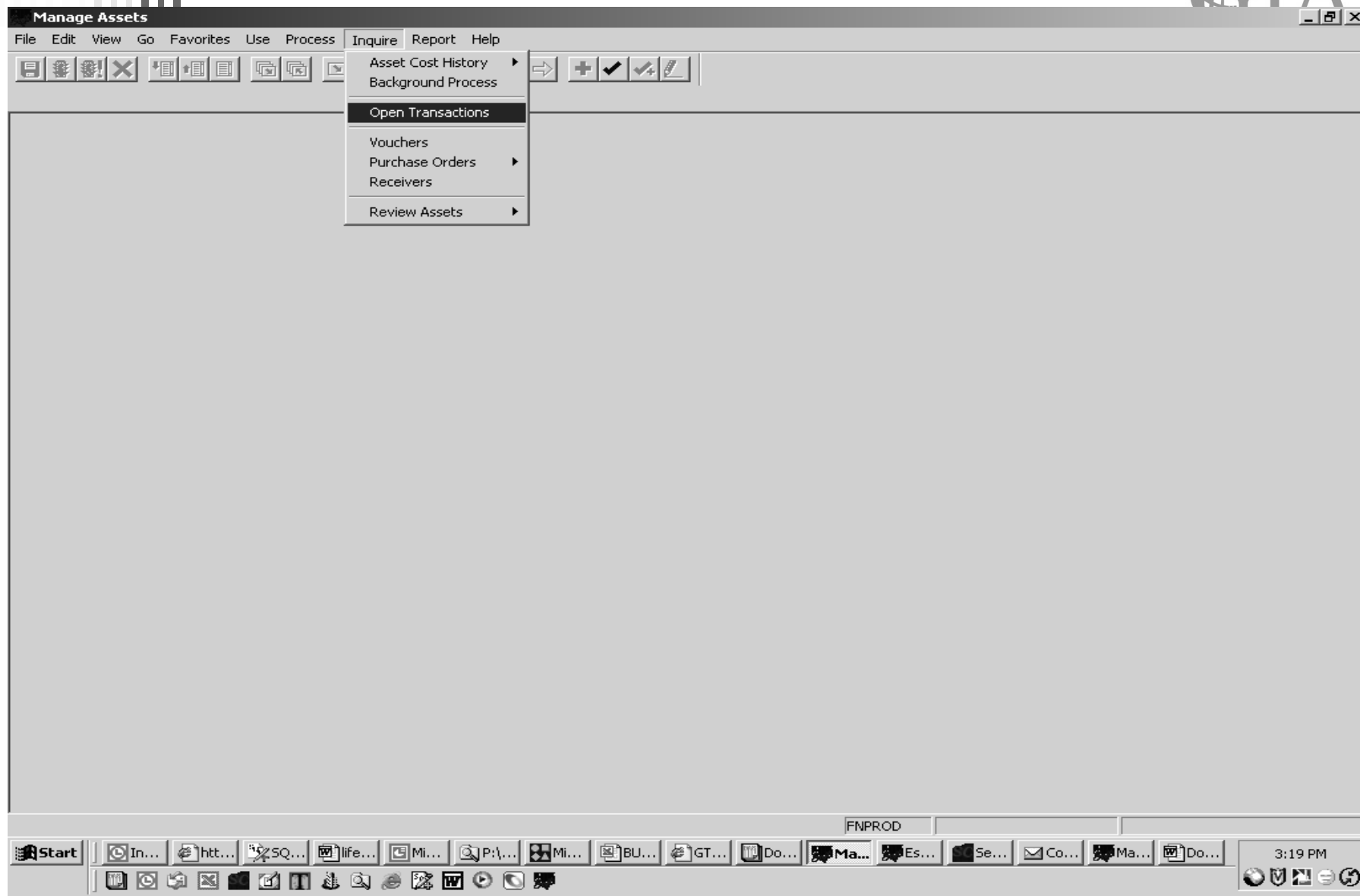
□ Solution:

- **Avoid multiple financial transactions on the same asset, in the same day.**
- **Do not add, cost adjust, transfer, retire, and reinstate in the same day.**
- **The asset needs to run through the nightly calculation routine between financial transactions.**

Note: This does not include the location and custodian panels.




















Multiple Financial Transactions in One Day

- ❑ If you want to find out if the data entry created a “Financial” transaction, you can view it on the open transactions panel.
- ❑ If the transaction shows up, an overnight calculation must take place before additional transactions can be entered.



Manage Assets - Inquire - Open Transactions

File Edit View Go Favorites Use Process Inquire Report Help






































Detail

Operator Id:	DBARBER	Derek Barber
Open Transaction ID:	215	
Depreciation Status:	Pending	
Acctg Entry Status:	Never	
Sum Group Asset Status:	Never	

Unit:	40000	Test Agency 400
Asset ID:	00000978	
Book Name:	SMALLVALUE	SMALL VALUE PROPERTY
Date/Time Stamp:	09/29/2004	1:04:37PM
Accounting Date:	09/29/2004	
Transaction Date:	09/29/2004	
Transaction Type:	ADD	Asset Addition
Transaction In/Out:		
Transfer Unit:		

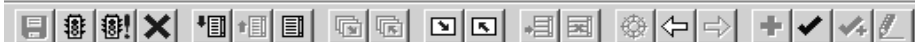
FNPROD Detail Update/Display

3:21 PM

Manage Assets - Inquire - Open Transactions

File Edit View Go Favorites Use Process Inquire Report Help



Detail

Operator Id: DBARBER Derek Barber
Open Transaction ID: 215
Depreciation Status: Pending
Acctg Entry Status: Never
Sum Group Asset Status: Never

Unit: 40000 Test Agency 400
Asset ID: 00000978
Book Name: SMALLVALUE SMALL VALUE PROPERTY
Date/Time Stamp: 09/29/2004 1:04:37PM
Accounting Date: 09/29/2004
Transaction Date: 09/29/2004
Transaction Type: ADD Asset Addition
Transaction In/Out:
Transfer Unit:

List

Operator	Trans ID	Unit	Asset ID	Book Name	Trans Type	Trans Date	Acctg Date	Depreciate	Distribute
DBARBER	215	40000	00000978	SMALLVALUE	Addition	2004-09-29	2004-09-29	Pending	Never
DBARBER	215	40000	00000978	STATE	Addition	2004-09-29	2004-09-29	Pending	Never

Select

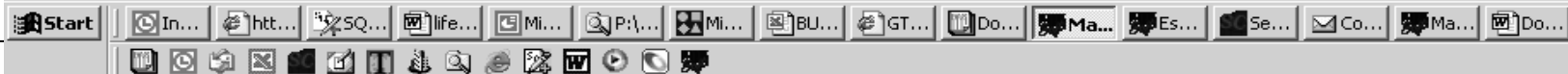
Detail

Cancel

FNPROD

Detail

Update/Display



10/1/2004

20

Operating Leases

□ Problem:

- **POs and Vouchers which pay for operating leases marked as an asset. Data which should not be in the AM module comes in through the interface.**

Operating Leases

□ Example:

- **A PO which pays for an operating lease is marked as an asset. The voucher is also marked and sends data over to the AM module through the interface. An asset is established with a cost which is really rental expense. The State does not own the asset.**

Operating Leases

□ Solution:

- **If rental payments come over from AP, error the data out in the interface.**
- **POs and Vouchers which pay the operating lease should NOT be marked as an asset.**
- **Historically the agencies have added “operating leases” with a profile id of “smallvalue” and at a cost of \$0.00 for inventory tracking purposes only via express add.**

Csvalast and Svalasst Profile IDs

□ Problem:

- **Reinstating any asset with the profile id of SVALASST or CSVALAST will create accounting entries which overstate assets on the GL.**

Csvalast and Svalasst Profile IDs

- Example:
 - **Reinstatement of a retired asset with the profile id of “csvalast” will book the cost to the general ledger. Since this asset falls below 5K, no GL entries should be made.**

Csvalast and Svalasst Profile IDs

□ Solution:

- **Do not reinstate any asset with a profile ID of CSVALAST or SVALASST.**
- **If you have in-service assets with these profile IDs, you should retire the assets.**
- **You should add the asset back with a profile ID of SMALLVALUE or SMALLCOMP.**
- **X has been placed at the front of the tags.**

Asset Transfers

- **There are implications of ORG transfers every time an asset simply changes location.**
 - **When an asset is transferred from one department (org) to another, it will take the asset cost and accumulated depreciation with it.**
 - **Any on going depreciation expense will be charged to the new org.**
 - **Historical financial data is being changed.**
 - **The asset panels have effective dated rows for custodian and location.**

Recent Changes

- In the interface, the auto-approval switch now defaults to OFF for entries that update (cost adjust) an asset.
 - **Example: The second voucher for a PO tries to update the asset.**
 - **Either mark as approve or error out and manually add or adjust the asset in the module.**

Recent Changes

- **GTA added two new profiles for non-depreciable, non-capitalized assets.**
 - **BLDG_NON for buildings less than 100K**
 - **SMALVALVEH for vehicles less than 5K**
 - **Would a profile for operating leases be desirable?**



Upgrade

- ❑ PeopleSoft 8.8 is web-based.
- ❑ Every effort will be made to move away from customizations in the AM module during the upgrade.
- ❑ PeopleSoft 8.8 is “multiple distribution line - split fund” friendly.
- ❑ GTA wants to open the interface process up for agency initiation which will reduce the lag time/ increase timeliness.



Ongoing Concerns

- ☐ We are working on a solution for capital leases.
- ☐ We would like to eliminate the state book completely.
- ☐ We are working to find a solution for the receiver issues.
- ☐ We are also looking into a more useful depreciation report.
- ☐ Update the business processes.
- ☐ Update the training database.

Questions?

- This presentation will be available on the GTA Phoenix website.
- <http://phoenix.gagta.com>
- Help desk number is 1-888-896-7771 or 404-657-3956
- Direct number is 404-463-8664 (Will change soon)
- dbarber@gta.ga.gov